

Toll on U.S. Frigate Reaches At Least 37 Dead, 21 Injured

The Associated Press WASHINGTON — The Pentagon on Tuesday raised to 37 the death toll in the missile attack on the U.S. guided-missile frigate Stark.

The Pentagon said 22 of the dead had been identified. Commander Robert Prucha said he did not know whether the remaining 15 were swept overboard or were still in the wreckage, but they were presumed dead.

"I think we should understand that free transit" on the high seas "is absolutely essential to the vital interests of the United States and the free world," Mr. Baker said in a U.S. television interview.

Weinberger Calls Attack A 'Single, Horrible Error'

The Associated Press WASHINGTON — Defense Secretary Caspar W. Weinberger said Tuesday he did not want to "second-guess" why the U.S. frigate Stark did not try to defend itself against the Iraqi attack in the Gulf that killed 37 sailors Sunday night.

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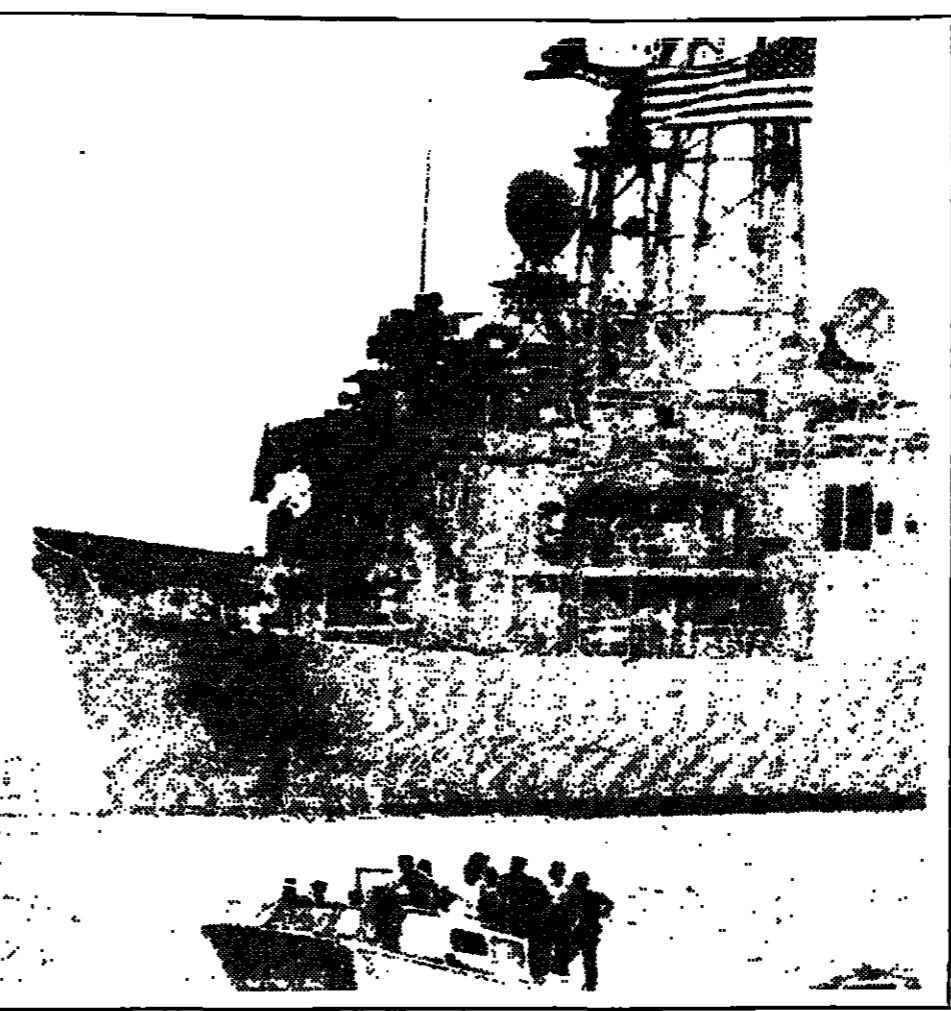
The attack illustrates the dangers of superpower involvement in the Gulf. Page 2.

Senior military officers were unable to explain immediately why the Stark did not defend itself, even though the missile's launching had been detected on radar. The frigate had also twice tried to communicate with the attacker.

The Soviet Union has leased three tankers to Kuwait and is flying them under its flag.



A launch from the U.S. frigate Stark warned off boats as it was towed to Bahrain on Tuesday. Rear Admiral Harold J. Bernsen, above, commander of U.S. naval forces in the Middle East, discussed the attack at a press conference in Bahrain.



Waldheim Concedes He Erred

Regrets Silence, But Still Denies WWII Charges

The Associated Press VIENNA — President Kurt Waldheim, who is barred from visiting the United States because of his World War II activities, conceded Tuesday that he had erred in refusing to discuss his past openly.

He also said he had underestimated how far judgment of his personal fate would lead to controversy about Austria's role in the war.

U.S. Drops 3-Year Fraud Investigation Of General Dynamics' Navy Contracts

Washington Post Service WASHINGTON — The Justice Department announced Tuesday that it has closed a three-year investigation of General Dynamics Corp. after finding insufficient evidence that the company defrauded the government in building nuclear attack submarines.

The decision marks the second time the department has declined to prosecute General Dynamics, which last year received \$8 billion in military contracts.

Prosecutors lacked an identifiable "victim" on which to base a fraud case, the officials say, because the navy acquiesced in General Dynamics' actions.

Australia Orders Libya Mission Shut

Compiled by Our Staff From Dispatches CANBERRA, Australia — Prime Minister Bob Hawke ordered Libya to close its embassy here Tuesday, asserting that its staff had engaged in unspecified "clandestine activity" in Australia and the South Pacific.

Mr. Veliotes would not be a credible witness under such circumstances and because tapes of his secretly recorded conversations with company executives therefore would be of little value.

Klosk French Director Wins at Cannes

CANNES — A French director, Maurice Pialat, won the Golden Palm, the top prize at the Cannes International Film Festival, on Tuesday night.

Governor Controls Fiji, Plans Vote

United Press International SUVA, Fiji — The governor-general of Fiji, Sir Penaia Ganiela, took temporary control of the government Tuesday and said he would call elections. Fiji had been under military rule since a coup Thursday.



Thatcher Presents Campaign Platform

Prime Minister Margaret Thatcher presented the platform for her re-election campaign Tuesday at the Conservative Party's headquarters in London.



Citicorp Expects Loss

Citicorp, the largest U.S. banking group, said Tuesday that it would add \$3 billion to its reserve fund for possible loan losses, which would cause a net loss of about \$2.5 billion in the second quarter and \$1 billion for the year. Page 9.

Computer Vandals Program Long Distance Havoc

By Mark McCain New York Times Service NEW YORK — A new breed of vandals, working within the vast network of U.S. computer "bulletin boards," are devising sophisticated software programs that erase and scramble the computer files of unsuspecting users.

That alerts him to suspicious activity within his personal computer. Like hundreds of other computer enthusiasts across the country, Mr. Greenberg operates a computer bulletin board as a public service.

They are adjusting to computer terrorism by increasing security. Most bulletin board operators are beginning to check the identity of people who call up their boards. And they are testing suspicious programs.

GENERAL NEWS ■ Elation over lower U.S. air fares rapidly turned to complaints that they often are unavailable. Page 3. Dow close: DOWN 37.38 The dollar in New York: DM 1.687 Yen 139.525 FF 5.925

Au Pair Crisis: U.S. Law Limits Household Help

By Robert Reinhold New York Times Service NEW YORK — After Jayne Kraman's third child, Max, came along two years ago, she was desperate for a mother's helper, so she hired an au pair from West Germany.

They are usually middle-class Europeans who want to spend a year in the United States in exchange for doing child care. They work in return for room, board and sometimes spending money.

People connect their computers into the bulletin boards, via telephone-hookup devices called modems, both to donate programs and make copies of programs already posted on the boards.

But even if a Trojan perpetrator were identified, it is uncertain whether any state or federal laws provide for prosecuting that person.

Although it is not certain how strictly the penalties for hiring unauthorized household workers will be enforced, the new law is already

INTERNATIONAL Herald Tribune

A Target in the Gulf

Important Business

The two missiles that struck an American warship in the Gulf Sunday night, killing 37 sailors and disabling the ship, appear to have been fired by an Iraqi frigate that mistakenly thought it had an Iranian ship on its radar.

The hit on the Stark was, it seems, one of those hard-to-anticipate misfortunes that tend to happen when weapons are set on a hair trigger in circumstances of stress.

A Question to the Navy

Iraq's blundering attack on the frigate Stark should not change America's aims or means in the Gulf. A military presence is needed to reassure the Gulf states against encroachment by Iran, and warships play a necessary role.

None of this deflects responsibility from Iraq and its policy of indiscriminate attacks on shipping. But whatever the Iraqi's fault, the U.S. Navy should have been prepared, even for accidental attacks.

The Story Changes Again

As investigators peel away the layers of lies, the White House piles on new layers of legal defense. Did President Reagan agree to give arms for hostages to the Nicaraguan rebels? No, he insisted at first.

The king who raised the subject of contra aid. No one outside the White House believes that Saudi Arabia, intuitively and without being asked, doubled its contra support to \$2 million a month.

Other Comment

Keep the Pressure on Iran

There has long been a fear in the West — and no doubt in Moscow — that if nobody interfered in the Gulf war, Iran probably would win.

competition in health care and a greater share of the costs to be borne by the patient, and an overhaul of present tax systems to emphasize "indirect" taxes such as the value-added tax instead of "direct" taxes such as the income tax.

Instability in the South Pacific

The coup d'état in Fiji is a reminder that the South Pacific is no longer a playground of lagoons and islanders living a life of idyllic harmony.

Revolutionary OECD Report

The recent OECD report on "Structural Adjustment and Economic Performance" proposes a world economic recovery based on a greater role for market mechanisms and a reduced role for the state.

OPINION A Cease-Fire Plan for Suspending the Iran-Iraq War

By Brian Urquhart and Gary Sick

NEW YORK — During the next six months there may be a fragile opportunity to explore nonviolent alternatives to the military and diplomatic stalemate between Iraq and Iran.

has developed an unpublished eight-point plan that would be available as the basis for discussions if and when these might become feasible.

1. A request to the secretary-general to appoint an international commission to confer with the parties, to examine the origins of the war, to recommend the elements of a peaceful settlement and to report back to the Security Council within a specified period of time.

parties pending the report of the commission. This proposed package contains elements that should be attractive to both Iraq and Iran, but other elements are likely to be seen by both as controversial or undesirable.

It's Time U.S. Ratified the UN Ban on Torture

By Jonathan Power

LONDON — William Buckley, an American who was taken hostage in Beirut in March 1984, is believed to have died the following year after being tortured.

NEW YORK — The trial of Klaus Barbie for crimes against humanity, which compels France to confront its Vichy past, demonstrates anew that the Holocaust remains an international moral issue.

On Feb. 19, Iraq announced a two-week suspension of its bombing campaign against civilian targets. Iran agreed to terminate shelling of nonmilitary targets.

When the Senate leadership had called for the "advice and consent" vote, no one expected further delay in ratification.

Yet during the long debates at the UN, the United States fought hard for the convention to be strengthened with the addition of a clause allowing a country to arrest and try a suspected torturer from another country.

NEW YORK — The trial of Klaus Barbie for crimes against humanity, which compels France to confront its Vichy past, demonstrates anew that the Holocaust remains an international moral issue.

On Feb. 19, 1986, a decisive turn was taken on the long path of becoming a contracting party to the treaty.

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It is profoundly in the United States' interests to give final approval to both conventions. They will not end torture and genocide. There will still be Pol Pot and Idi Amin walking the world stage from time to time.

BEFORE Lyon in 1943, I am aware of no systematic use of torture by electricity. Klaus Barbie assisted his inquiries with a device which attached electrodes to sensitive parts of the body and passed agonizing, convulsing shocks of current through the victim.

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Pacific Basin: A Leveling Off, but Only After Tremendous Gains

By Frank B. Gibney

This is the second of two articles.

SANTA BARBARA, California — There are at least six common denominators in the economic success of the Pacific Basin over the past two decades.

work. As exemplified by Japan's redoubtable Ministry of International Trade and Industry — the so-called Productivity Pentagon — and brilliantly led groups like Singapore's Development Board, they have blazed the trail for a new kind of "Confucian capitalism."

peaceful pattern of the post-Marcos change in the Philippines. Is the Pacific "hypothesis" going to explode? By no means. High growth may be leveling off, but it has done very good things for the people of the Pacific.

Of course Japan must now curb its cultural protectionism. It has few choices. America must develop its own competitiveness, while continuing to insist on bigger but fairer Pacific trade.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: The Signal-Kiosk

PARIS — The signal-kiosk which was erected several weeks ago at the intersection of the Grands Boulevards and the rue Montmartre will pass into history today (May 20). It is to be demolished by the employees of the municipal government.

1937: Italy in Africa

ROME — Italy's dream of a rich empire in Africa teeming with farmers and industrialists was described as an impending reality by the Minister of Italian East Africa (on May 19) before a cheering Chamber of Deputies assembled to consider the colonial budget of 1,617,000,000 lire for 1937-1938.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

Handwritten signature or stamp at the bottom center of the page.

ARTS / LEISURE

Borek Sipek: New Flair For Bohemian Glassware

By Kate Singleton
BOREK SIPEK is a designer with a sensitivity for many materials: Wood, metal, ceramics, marble, glass. He draws out their qualities and fashions them into forms that welcome the hand as well as the eye. But it is glass that he has imbued with the most striking characteristics. For he has chosen to work not with the light, aerial fluidity of Murano glass, but with the thicker, heavier, richer shapes and colors that are typical of the glass that is blown in Czechoslovakia.

For the 38-year-old Sipek, working with the master-blowers of Nový Bor, north of Prague, must be like searching roots that have been concealed for years but never severed. Sipek was born in Prague. His parents died young, and he was brought up by a guardian who was one of the country's foremost glass artists. However, the charms of the inside of a glassworks were apparently few to those early days: "At the age of 10 I was sure that I wanted to become a chef or an architect," he explains.

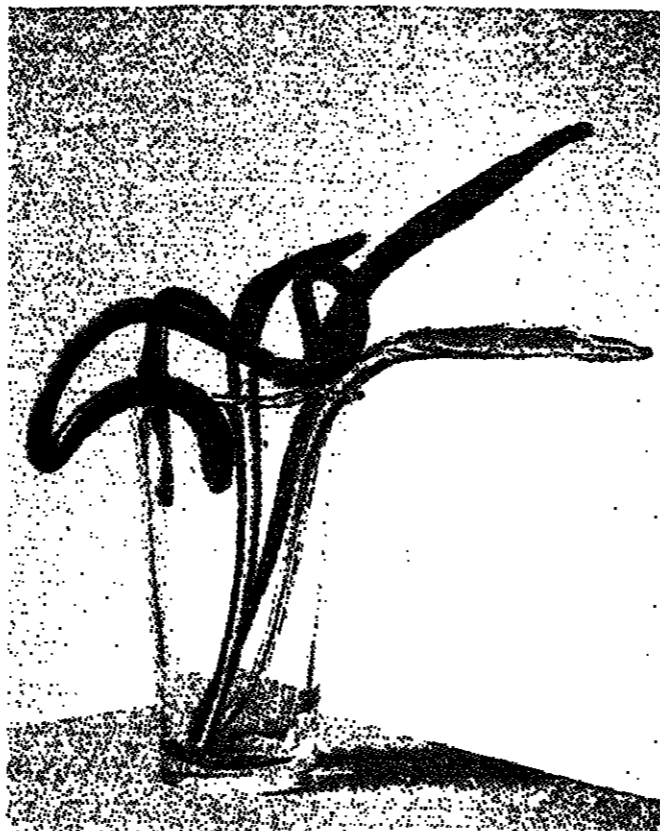
Happily, glass, architecture and culinary skills did not turn out to be mutually exclusive. Sipek is an excellent cook. He studied furniture design at art school in Prague until he was 20, then left for West Germany where he took a degree in architecture in Hamburg and another in philosophy at Stuttgart. Later he taught design theory in Hannover and Essen for eight years.

"At the time I was torn between theory and practice. There simply isn't time to do both well. My training in Prague had been very traditional, but it had taught me how to draw. In fact in Hamburg I was considered an artist rather than an architect for this reason. I used to get upset about it. You see, that was back in 1968. You couldn't be an artist in those turbulent years. Now of course I'm grateful that I learned to draw early."

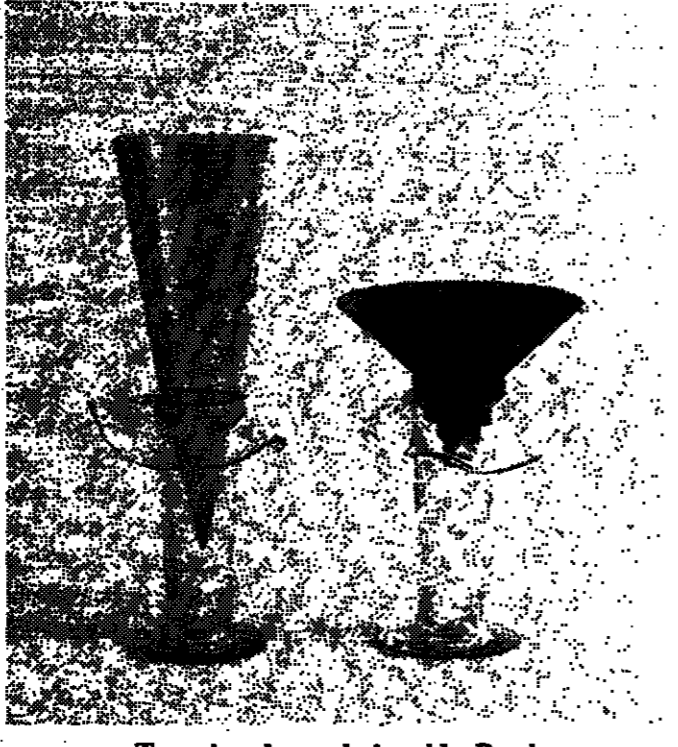
In 1983 Sipek left Essen for Amsterdam and theory for practice after his sister asked him to design her a house in Hamburg. The site proved to be small and the building constraints many. Sipek overcame them by creating an outer shell in glass that conformed to local requirements regarding style, shape and scale. And inside he built a stone structure — the house itself — that runs diagonally to the perimeter so that it makes better use of space and light. Winter gardens

fill the areas between glass and stone walls.
The lamps that Sipek designed for his sister's house were to be made in traditional Bohemian glass. To supervise their creation, in 1983 he went back to Czechoslovakia for the first time in 13 years. But the lamps were never produced because halfway through the process Sipek saw forms emerge that seemed right for drinking glasses. So he abandoned the original project and came up with his first collection of goblets, flutes and tumblers, later sold by the firm Quartet. As for his sister, she had

to make do with lamps in plastic.
For decades Czech glass has largely been limited to ashtrays, mustard dishes, Gothic-style tumblers — "horrible kitsch items made with wonderful techniques by highly skilled craftsmen."
There are three basic techniques for which Bohemian glassmakers are renowned. Sipek has used the traditional art of cutting and polishing blown glass for the lips and skirts that animate the geometrical simplicity of his drinking glasses, carafes, decanters and bowls. He is also working with craftsmen spe-



A Borek vase: Making techniques work for the designer.



Two wine glasses designed by Borek.

cialized in acid engraving on flat glass for a window-wall that has been commissioned for the interior of a Frankfurt bank. The third technique is glass which is partially glazed red by using gold paint that is fired to create a chemical reaction that changes the color. The red areas are then engraved to reveal the crystal white below.
Sipek does much of his thinking about the nature of future objects while traveling. He rarely manages to spend more than two days a week in Amsterdam. Once every two months he is in Prague and Nový Bor. Then he has his clients in West Germany and the Netherlands. He is also a frequent visitor to Italy: In Milan his furniture designs are produced by the firm Driade; in Tuscany he makes ce-

ramics and marble objects, and in Murano he soon will be following the development of his first designs in Venetian glass.
"Italy is very receptive to new ideas," he explains, "because Italian factories realize that you can use techniques to produce what you want; you make the techniques work for you. By contrast, in Germany it's you that has to work for the techniques. Of course I realize that my designs are closer to the individual nature of architecture on a very small scale than they are to industrial design as such. But then that's what they stemmed from in the first place."

Kate Singleton is a Milan-based journalist who writes frequently on cultural affairs.

DOONESBURY



U.S.-India Relations Hit a Low

New Delhi Says Washington Prefers Firm Tie to Pakistan

By Steven R. Weisman
NEW YORK TIMES SERVICE
NEW DELHI — A series of major and minor disputes have sent relations between the United States and India skidding to their lowest level since Prime Minister Rajiv Gandhi took office in 1984, according to American and Indian officials.
The officials said Monday that friction and bitterness had replaced the friendliness of a year or two ago, when Washington was hopeful that Mr. Gandhi would break with precedent and be more sympathetic to U.S. interests.
Indian leaders said the United States appeared to have abandoned its newly professed sensitivity to New Delhi's concerns and is instead seeking a long-term relationship with Pakistan as a U.S. surrogate in the region.
"It is clear that Washington is looking to Pakistan as a replacement for the shah," an Indian official said, likening the situation to that in Iran before the 1979 revolution in which the government of Shah Mohammed Reza Pahlavi was toppled. "That raises the temperature here."
A measure of Indian anger was the recent cancellation of a trip to Washington by the Indian minister of external affairs, Narain Dutt D. Tiwari. His deputy, K. Natwar Singh, then had to defend his own earlier visit to the United States against bitter questioning in Parliament.
The new tension has not blocked other efforts to improve relations, officials said, but some of these efforts were said to have stalled. "This is a very delicate time," a U.S. diplomat said.
At the center of the stir is the Reagan administration's determination to provide Pakistan with a new military aid package, including an advanced military air surveillance system, despite indications that Pakistan is developing a nuclear bomb.

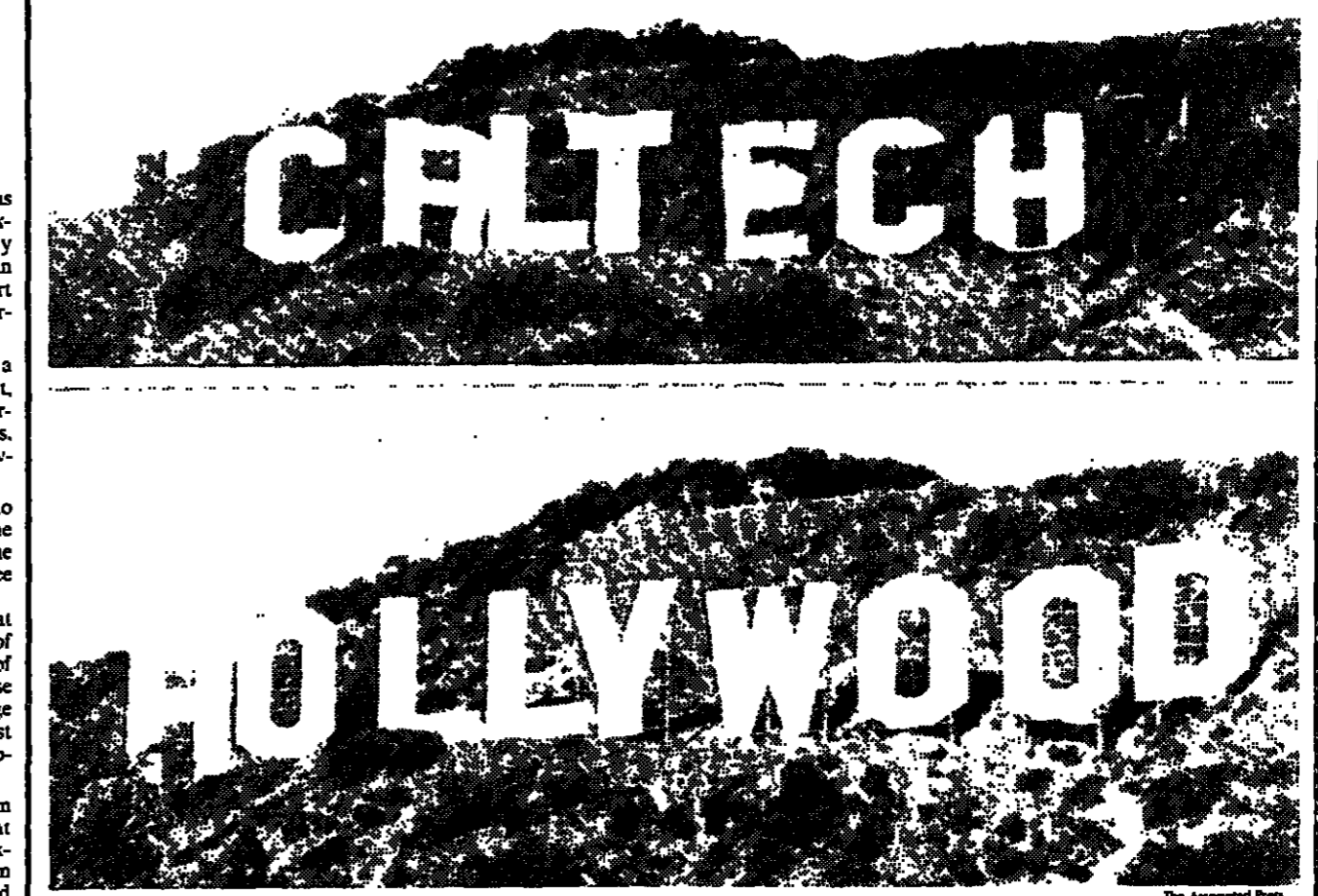
U.S. military aid to Pakistan, which has fought three wars against India, has long been the major irritant in Indian-American relations, but officials said several other issues have aggravated the problem. Among them have been snags in the proposed sale to India of a sophisticated American computer and a move in the House of Representatives to cut U.S. aid to New Delhi.
American officials said Pakistan needs protection against the 115,000 Soviet troops in Afghanistan. But this has also led to doubts in Pakistan about Washington's reliability, with rising fears there that the United States would cut off aid if the Afghan war were somehow resolved.
To reassure Pakistan, Washington has lately said that it would continue to provide military help even if the war is settled. India charged that these assurances showed that Washington was looking for a long-term military ally.
U.S. officials, meanwhile, are irritated because Mr. Gandhi has begun blaming his domestic problems on a plot by "foreign forces" to discredit him and undermine Indian democracy, as he did in a speech Saturday. Although not mentioning the United States by name, he has made it clear that he was accusing Washington of being part of an attempt to destabilize the country.
"This is the kind of thing we used to hear from Indira Gandhi," an American official said, referring to Mr. Gandhi's mother and predecessor who often angered the United States with talk of a "foreign hand" working against India. Mrs. Gandhi was assassinated in 1984.
"It's not what we expected from Rajiv," the official said, noting that earlier under Mr. Gandhi cooperation with the United States, even in the military area, had risen to its highest level in 20 years. "I don't even think he believes his snuff. He is doing it for purely political reasons."

Mr. Gandhi has been under fire lately because of a feud with President Zail Singh, as well as allegations that his government took payoffs from West German and Swedish arms contractors and accusations connected with trying to protect a Bombay textile concern against charges of business fraud.
His Congress (I) Party issued a statement last month warning against a conspiracy of multinational corporations and unidentified Western countries to destabilize India. U.S. officials were understood to have conveyed their displeasure to Mr. Gandhi's aides and asked him to stop using such language.
Instead, the prime minister repeated the charge in a fiery speech before 200,000 supporters on Saturday. The crowd roared in approval when he vowed to teach a lesson to Pakistan and "its patrons."
Indian and U.S. officials said the relationship remains strong in other respects. The United States is still India's largest trading partner, and Indians still flock to the United States to live and work. The United States also wins praise in India for its efforts to arrest Sikh extremists.
But Indian officials said that although they expected Washington to continue to help Pakistan, its efforts to rush ahead with highly sophisticated equipment, such as a possible air warning defense system, violated what they considered to be pledges of a new sensitivity to Indian concerns.
Officials agree that relations worsened after the visit in October of Defense Secretary Caspar W. Weinberger, which an American official called "a disaster." Mr. Weinberger infuriated India by not warning Mr. Gandhi of his aides that, on the next stop of his trip, he was going to announce his support for sending AWACS radar planes to Pakistan.

War in Gulf Spurs China Arms Sales

By Michael R. Gordon
NEW YORK TIMES SERVICE
WASHINGTON — China has become the fourth largest arms exporter to the Third World, partly on the strength of its sales to Iran and Iraq, according to a new report by the Congressional Research Service.
China has reportedly sold Iran a wide range of military equipment, including anti-aircraft missiles, artillery pieces, anti-ship missiles, gun barrels and ammunition, government experts said.
China also agreed to sell arms to Iraq in 1981 and 1982, during the earlier stages of the Gulf war. The arms that have been delivered since then include bombers and tanks.
The new report indicates that China has moved up in the ranks of arms exporters partly as a result of these sales and partly because Third World nations with large debt burdens now have less interest in buying costly, advanced weapons from the West.
Surveying arms deliveries from 1983 to 1986, the report said that the Soviet Union is the largest exporter, having shipped \$60 billion worth of weapons to the Third World over that period. The United States delivered \$25.5 billion in arms over that period. France exported \$16.4 billion worth of arms to the Third World.
China was a distant fourth, with \$5.2 billion.
In the previous three-year period, 1979-1982, China was seventh in arms deliveries behind Britain, West Germany and Italy.
The report also said Czechoslovakia and Spain have moved up slightly in the ranking of arms exporters to the Third World. Czechoslovakia is No. 8 and Spain is No. 9. Brazil has held its No. 10 position.

AMERICAN TOPICS



THE MAGIC OF HOLLYWOOD — Sometime between sundown on Sunday and sunrise on Monday, with some of Hollywood's most famous residents away on business in Cannes, the landmark HOLLYWOOD sign in Los Angeles was transformed into CALTECH. Students at the California Institute of Technology in Pasadena said that the prank was a present to the film community, which is celebrating its 100th anniversary this year.

Hopes of Renewal For Lonesome Bus

Greyhound Lines, which started in 1915 and introduced transcontinental bus runs in 1929, has seen its annual passenger count cut in half, to about 30 million, in the past decade. And no wonder, says Michael Redish, a transportation analyst for the Interstate Commerce Commission. For trips under 200 miles (325 kilometers), he said, people drive. "Over 200 miles, if they have access to an airport, they fly. So that raises the question: What role do buses fit?"
Fred G. Currey of Dallas, head of an investor group that bought the bus line from Greyhound Corp. for \$350 million last year, told the Los Angeles Times he has the answer. Borrowing from the airlines' hub-and-spoke concept, he envisions a network of 12- and 14-seat vans feeding passengers from small towns to major terminals. He sees the bus business turning from a national market to scores of regional ones. Although suburbs and exurbs

Short Takes

Even with the decline of smoking, matches will always be needed. The New York Times has noted, for lighting candles, pilot lights and fireplace fires. But what about ashtrays? "We are developing alternatives," said Jim Harris, president of the Brilliant Glass Co., a major ashtray manufacturer. It has developed ashtrays that double as candy dishes and coasters. "When you remove an ashtray," he said, "there is nothing left for the chewing gum and sugar wrappers." Another company, Smokador, has repositioned itself: Today its business is

City-based Billiard Congress of America, encompassing pool as well as billiards, is celebrating its 100th anniversary this year.

approximately 60 percent desk accessories and 40 percent ashtrays, reversing the figures of four years ago. Smokador does not permit smoking on its premises.
Doctors are to get a better chance to defend themselves before being suspended from Medicare for violations of professional standards. The federal-state program provides health insurance for the elderly and disabled. Many of the 39 doctors thus far disqualified complained that the process was too arbitrary. Now doctors will be given more advance warning and will be allowed to bring lawyers and expert witnesses to the medical hearings at which their status is reviewed.
Billiards and pool are thriving. Television exposure has increased, and Harold L. Simonsen, publisher of Pool and Billiard Magazine, says the film "The Color of Money," for which Paul Newman won an Academy Award, has "caused a mini-resurgence" in the game, with playing time up by 30 percent across the country. Membership in the Iowa

City-based Billiard Congress of America, encompassing pool as well as billiards, is celebrating its 100th anniversary this year.
A floating summer college course to examine life on the Mississippi has been created at Scott Community College in Bettendorf, Iowa. Fifteen students will spend four weeks on a river dredge and a houseboat to study the history, biology, geography and literature of the river. Tuition, room and board cost \$1,500. The course has been named, to be sure, Tom Sawyer University.
Florence Conlon, a New York Times reader, saw this sign in front of a karate school in the borough of Queens:
IF YOU PARK YOUR CAR HERE IT WILL BE CHOPPED IN HALF
—ARTHUR HIGBEE

Botha Stresses Security, Political Segregation

United Press International
CAPE TOWN — President Pieter W. Botha, opening a new parliamentary session on Tuesday, offered no concessions to South Africa's voiceless blacks, instead emphasizing political segregation and national security.
"In dealing with our country's problems there is no room for ill-considered instant solutions born out of fear, panic and surrender," Mr. Botha said in a speech to a joint meeting of the white, Asian and mixed-race houses of Parliament.

Exclusion of the country's 26 million blacks from Parliament is a major cause of more than two days of violence and security clamp-downs in black communities.
Bolstered by broadened support in a whites-only parliamentary election on May 6, Mr. Botha said his National Party government offered "a positive message of orderly and evolutionary progress in which our realities and ideals are thoroughly taken into account."
Mr. Botha said he would pursue plans for a national council as a

vehicle to negotiate participation by blacks in national politics, but declined to elaborate on its structure.
■ Soweto Electricity Cuts
The Soweto City Council has switched off electricity to hundreds of homes in the black township to try to force an end to a rent strike that began 11 months ago. Reuters reported Tuesday, quoting Soweto residents.
Soweto, near Johannesburg, is one of 50 townships in which residents have refused to pay rent to

back a long list of demands, including the withdrawal of security forces from the townships, the lifting of the national state of emergency declared in June and the release of political prisoners.
The residents said the council distributed leaflets during the weekend, when most power supplies were cut off, telling consumers that it had to pay for electricity and was "not in a position to supply free electricity."
About 40,000 of Soweto's 75,000 dwellings are owned by the council.

| NYSE Most Actives | | | | | |
|-------------------|-------|-------|-------|------|--|
| Vol. | High | Low | Last | Chg. | |
| IBM | 257.5 | 257.0 | 257.0 | -0.5 | |
| Merck | 115.0 | 114.5 | 114.5 | -0.5 | |
| Amgen | 110.0 | 109.5 | 109.5 | -0.5 | |
| Amgen | 105.0 | 104.5 | 104.5 | -0.5 | |
| Amgen | 100.0 | 99.5 | 99.5 | -0.5 | |

| Market Sales | | |
|--------------------|-------------|--|
| NYSE 4 a.m. volume | 173,250,000 | |
| NYSE 4 a.m. volume | 13,970,000 | |
| NYSE 4 a.m. volume | 1,470,000 | |
| NYSE 4 a.m. volume | 1,470,000 | |
| NYSE 4 a.m. volume | 1,470,000 | |

| NYSE Index | | | |
|------------|-------|-------|------|
| High | Low | Close | Chg. |
| 161.1 | 159.8 | 160.2 | -1.2 |
| 161.1 | 159.8 | 160.2 | -1.2 |
| 161.1 | 159.8 | 160.2 | -1.2 |

Tuesday's NYSE Closing
Via The Associated Press

| AMEX Diary | | |
|------------|-----|--|
| Advanced | 179 | |
| Declined | 179 | |
| Unchanged | 179 | |

| NASDAQ Index | | | |
|--------------|-------|-------|------|
| Class | Prev. | Chg. | |
| Composite | 421.1 | 420.5 | -0.6 |
| Industrial | 421.1 | 420.5 | -0.6 |

| AMEX Most Actives | | | | | |
|-------------------|-------|------|------|------|--|
| Vol. | High | Low | Last | Chg. | |
| 100 | 100.0 | 99.5 | 99.5 | -0.5 | |

| Dow Jones Bond Averages | | |
|-------------------------|-------|-------|
| Bonds | 137.7 | 137.7 |
| Utilities | 137.7 | 137.7 |
| Industrials | 137.7 | 137.7 |

| NYSE Diary | | |
|------------|-----|--|
| Advanced | 380 | |
| Declined | 380 | |
| Unchanged | 380 | |

| Odd-Lot Trading in N.Y. | | | |
|-------------------------|-------|-------|--|
| Buy | Sales | Chg. | |
| 1,391 | 1,391 | 1,391 | |

| Dow Jones Averages | | | | |
|--------------------|-------|-------|-------|------|
| Open | High | Low | Last | Chg. |
| 228.1 | 228.6 | 228.6 | 228.1 | -0.5 |

| Standard & Poor's Index | | | |
|-------------------------|-------|-------|------|
| High | Low | Close | Chg. |
| 228.1 | 228.6 | 228.1 | -0.5 |

| Previous NASDAQ Diary | | |
|-----------------------|-----|--|
| Advanced | 431 | |
| Declined | 431 | |
| Unchanged | 431 | |

| AMEX Stock Index | | | |
|------------------|------|-------|------|
| High | Low | Close | Chg. |
| 100.0 | 99.5 | 99.5 | -0.5 |

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

| 12 Month High | Low | Stock | Div. Yld. PE | 52-Week High | Low | Close | Chg. |
|---------------|------|-------|--------------|--------------|------|-------|------|
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |

NYSE Lower in Broad Sell-Off

NEW YORK — Prices on the New York Stock Exchange fell for the fourth straight day Tuesday in a broad sell-off reflecting fears on interest rates and inflation.

Soaring long-term bond yields and rising precious metal prices prompted the nervous selling. "People are afraid of almost anything that trades today," one trader said.

The Dow Jones industrial average fell 37.38 points to close at 2,221.28. Over the last four sessions, the Dow has fallen 108.40 points.

Declining issues led advancing ones 5 to 1 among the 1,995 issued traded. Volume amounted to about 175 million shares, compared with 174 million traded on Monday.

"In a panic situation the first choice is maximum liquidity and minimum long term exposure," Michael Metz of Oppenheimer & Co. said. "That accounts for a movement toward cash in the markets and firmer short term bills, which are almost a surrogate for cash in the credit markets."

The selling was accentuated by fears of growing confrontation on Third World debt, which erupted when rumors swept the market that Citicorp is poised to reclassify part of its portfolio of loans to lesser developed countries. A spokesman for Citicorp declined comment at that stage.

"Once again there are questions about how secure U.S. bank assets are," Mr. Metz said, "and on top of this inflation- and interest-rate nervous environment, people want to be very careful about what type of instruments they are invested in."

On the interest rate front, analysts said, Wall Street investors are concerned that if rates go much higher, stocks become a less attractive investment. In addition, the higher rates rise, the more questionable business expansion, which has been fueled by cheap funds, becomes.

After the market closed, Citicorp said it would add \$3 billion to its reserve for possible loan losses, resulting in a net loss of about \$2.5 billion in the second quarter and \$1 billion for the entire year.

Citicorp's stock led the entire banking group lower, falling 1 1/2 to 50 1/4.

J.P. Morgan fell 1 to 41 1/4. Manufacturers Hanover fell 1/4 to 40 1/4. Chemical New York 's to 41. Bankers Trust 1 1/4 to 42 1/4. Bankamerica 's to 11 1/4 and Wells Fargo 2 to 48 1/4.

The early rumors about Citicorp prompted some investors to believe that further problems in the bank group could prompt the Federal Reserve, the lender of last resort, to focus its attention on aiding banks and back away from a tough stance on inflation, some analysts said.

"In general," Hugh Johnson, an analyst with First Albany, said, "there were a lot of panicky people out there today and a lot of rumors flying around. When there is a tinge of crisis, you move out of the stock market and into cash as fast as you can."

Upjohn, the pharmaceutical company that recently split its stock 3-for-1, rose 1/4 to 44 1/4 in active trading amid recommendations by several brokerage houses and on supportive news at Tuesday's annual meeting.

| 12 Month High | Low | Stock | Div. Yld. PE | 52-Week High | Low | Close | Chg. |
|---------------|------|-------|--------------|--------------|------|-------|------|
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |

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|---------------|------|-------|--------------|--------------|------|-------|------|
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| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |

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| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |
| 22.5 | 22.5 | AAA | | 22.5 | 22.5 | 22.5 | |

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 19th May 1987

| ALM MANAGEMENT | | INTERNATIONAL INCOME FUND | | G.T. MANAGEMENT (UK) LTD. | | THORNTON MANAGEMENT LTD. | |
|----------------|------|---------------------------|------|---------------------------|------|--------------------------|------|
| ALM-1 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| ALM-2 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| ALM-3 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |

(Continued on next left-hand page)

Free Investor Information from International Investor IV

The latest information from the distinguished companies listed in this section are available to you at no charge.

Simply circle the appropriate number on the coupon at the bottom of the page before June 8, 1987 or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

CAP GEMINI SOGETI

CAP GEMINI SOGETI, an independent group with 7,500 employees, is one of the leading DP service companies in the world and the largest in Europe. In 1986, CAP GEMINI SOGETI realized consolidated revenues of F.Fr. 2.9 billion (+ 32%). Net profitability after taxes reached F.Fr. 193 million (+ 45%), which represents 6.6% of revenue.



The company is registered on the Second Market of the Paris Stock Exchange. For 1987, CAP GEMINI SOGETI is budgeting for consolidated revenues of F.Fr. 3.6 billion (+ 24%) — distributed among the United States (CGA), Europe and France. CAP GEMINI SOGETI's leadership is acknowledged in advanced software technologies such as videotex, artificial intelligence, the smart card software engineering, conversions, information systems building, etc.

CSX CORPORATION

CSX Corporation is much more than a railroad, it's now a full service transportation company offering One-Stop Shipping (SM) by rail, barge, truck and container ship. Early this year, the company's purchase of Sea-Land Corporation won approval, which means that CSX service now circles the globe. With nearly \$13 billion in assets, CSX also operates business groups in energy, properties and technology, adding diversified strength to its principal transportation group.



AMERICAN EXPRESS

American Express' earnings achieved a first by exceeding \$1 billion in 1986. Each of its operating units posted record earnings and contributed to an overall 20 percent return on average equity from continuing operations, compared with 16 percent in 1985. Its businesses include the charge card, Travelers Cheque, travel, data processing, international banking, brokerage, investment banking, personal financial planning, life insurance and asset management industries.



BP

The British Petroleum Company plc is the parent company of one of the world's largest international oil and natural resources groups.

In 1986, despite dramatic fluctuations in the price of oil, BP made solid progress to record pre-tax profits of £1,779 million on a replacement cost basis. This result



owes much to the speed and flexibility with which the group was able to react to the new environment of lower oil prices.

The events of 1986 have highlighted the better balance between the group's upstream extractive interests and its downstream customer-orientated businesses and place it in a strong position to meet the challenges of 1987 and beyond.

About the McDonald's System

The McDonald's System is the largest foodservice organization in the world. The Company, franchisees and affiliates operated more than 9,500 McDonald's restaurants, each serving a limited menu of high-quality food, which is a part of a well-balanced diet. These restaurants are located in 46 countries around the world. The System has pioneered quality food specifications, equipment technology, marketing programs and operational systems that are now the standards of the industry throughout the world.

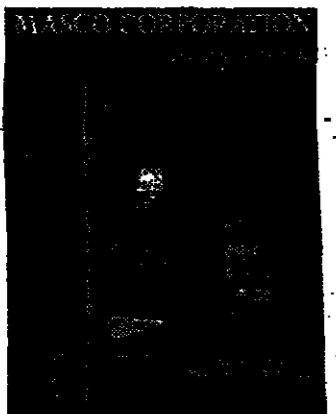


McDonald's motto of Q.S.C. & V. translates into Quality food products; fast, friendly Service; restaurants known for Cleanliness; and a menu which provides Value. Q.S.C. & V. ... McDonald's promise to customers every day around the world.

MASCO CORPORATION

"A Unique Consumer Products Growth Company"

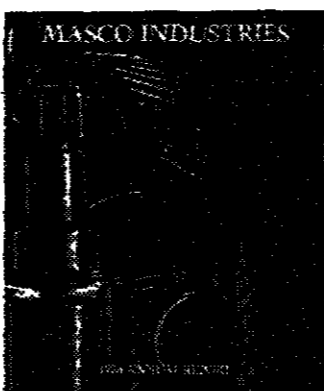
MASCO CORPORATION, a UNIQUE GROWTH COMPANY with leadership market positions, has reported 30 CONSECUTIVE YEARS OF EARNINGS INCREASES. Sales and earnings during this period have increased at average annual compound rates of approximately 20 percent. Masco manufactures Building and Home Improvement Products and Home Furnishings and Other Specialty Consumer Products. Send for our 1986 Annual Report to learn why, we believe, Masco's earnings will continue to grow at an average annual rate of 15 to 20 percent annually over the next five years, with our sales in 1991 approaching or exceeding \$3 billion.



MASCO INDUSTRIES

"A Unique Industrial Growth Company"

Masco Industries is a technology-based company whose primary corporate objective is to enhance shareholder value by maximizing long-term growth in earnings per share through the manufacture and sale of leadership industrial products. As we strive to accomplish our objective of increasing earnings per common share over the next five years, on average, at least 20-25 percent annually, we believe we will demonstrate that we are a unique industrial growth company. Masco Industries manufactures custom engineered and specialty products for commercial and industrial customers.



Nationale-Nederlanden

Nationale-Nederlanden, with 23,000 employees in 20 countries, is the tenth largest publicly owned insurance company in the world, the twelfth largest in terms of assets.



In its home market, the Netherlands, it is the largest Dutch insurer and the fourth largest enterprise in the country. The Nationale-Nederlanden Group's combined revenue amounted to U.S. \$7.9 billion in 1986. Of this income, life business represented 34%, non-life 28%, professional reinsurance 7% and investments and other insurance-related activities 31%. In 1986 net assets grew from U.S. \$3.1 billion to U.S. \$3.4 billion.

NOVA, AN ALBERTA CORPORATION

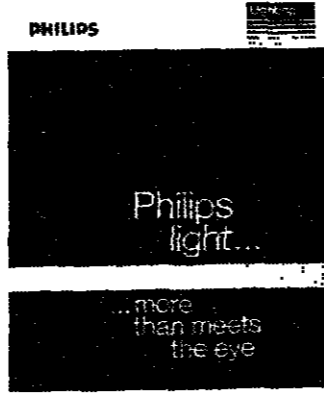
NOVA is a major Canadian shareholder-owned energy company headquartered in Calgary, Alberta, Canada. The Company was formed in 1954 to build, own and operate a province-wide natural gas transportation system. The business base has expanded to include energy-related investments and today NOVA operates as an international organization with most of its activities tied to the world marketplace.



Current areas of activity include gas transportation and marketing, petroleum, petrochemicals, manufacturing, consulting and research. The NOVA group of companies employ about 7,100 people. NOVA's common and preferred shares trade on the Toronto, Montreal and Alberta stock exchanges.

PHILIPS LIGHT MORE THAN MEETS THE EYE

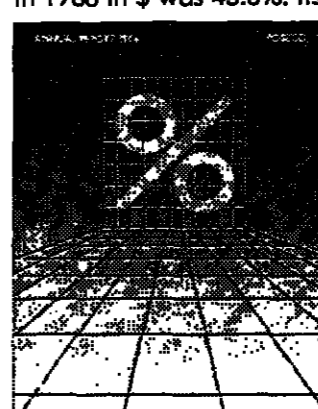
Philips Lighting has published a full-colour 28 page brochure. Entitled "Philips light more than meets the eye", the brochure offers interesting information not only on the company itself but also and more particularly on its technical expertise.



With the emphasis on the application of lighting, the document contains relevant sections on public and security lighting, sports, hotel health, domestic, office, shipping and aviation, industrial and shop lighting etc. These sections are nicely illustrated with recent projects such as the Raffles City complex, Singapore and the floodlighting of the Eiffel Tower. The brochure is available on a complimentary basis from Philips International B.V., Marketing Communications Lighting Division.

ROBEKO

Robeco is a Dutch-based equity fund with a \$5.4 billion global blue-chip portfolio providing income as well as capital appreciation. Total performance in 1986 in \$ was 43.8%. Its average annual performance over the last 5 years of 24.4% gives it a ranking in the top 10 of Lipper's non-US global equity funds. Management cost in 1986 was uniquely low 0.19% of asset value. The Robeco Geneva Account is a perfectly simple, low-cost way of acquiring and holding Robeco shares.



SAAB-SCANIA

The Saab-Scania Group manufactures automotive and aerospace products: passenger cars, trucks and buses, commercial and military aircraft, missiles and satellites. The Group also develops other advanced products in the fields of electronics, optics, sensors image processing and energy technology. We employ 49,000 people in locations in Sweden and in 30 other countries. In 1986 the Group sales were SEK 35 billions with a profit of SEK 3.3 billions. The pre-tax return on total assets was 13.8%, solvency (equity/asset ratio) was 51%. Investments in fixed assets and R&D amounted to MSEK 5,000, equivalent to 14.3% of sales. For a copy of the Annual Report 1986, please write to: Saab-Scania AB, Corporate Communications and Public Affairs, S-581 88 Linköping Sweden.



SANDOZ

Sandoz celebrated its 100-year anniversary in 1986 with record earnings of S.Fr. 8,361 million. The group is a major manufacturer of chemicals, crop protection products, seeds and nutrition products.



Headquartered in Switzerland, Sandoz is well-diversified geographically with subsidiaries and affiliates located in over 40 countries. Sandoz spent S.Fr. 746 million on Research & Development in 1986, of which 71% was in the pharmaceutical area. The company enjoys a strong financial condition, with year-end 1986 liquid asset accounting for 25% of total assets.

SEB Group

The SEB Group is the leading manufacturer in France and Europe of small domestic appliances and household goods. It is also the number one producer worldwide of non-stick cookware and bakeware, pressure cookers, electric fryers, and a world leader for steam irons, grills and toasters. It has well recognized brand names such as CALOR, SEB and TEFAL in France and TEFAL in foreign markets. The SEB Group has a clearly defined strategy: concentration on key products, internationalization and innovation. Consolidated world sales for 1986 amounted to 3,465 MFF (up 7% over 1985) of which over 50% was in France. Net income was up 57% to 110 MFF.



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BUSINESS ROUNDUP

Bank Leu Sells Big Guinness Stake

LONDON — Guinness PLC, the big brewing concern that is under investigation for its tactics in a takeover of Distillers Co. last year, said Tuesday that 40 million of its shares representing 4.8 percent of its equity were sold to institutional investors by Bank Leu AG.

Stock Exchange, up 17 on the day. Bank Leu acquired a total stake of 41 million Guinness shares last year in the final stages of Guinness's takeover battle for Distillers. Guinness has admitted that it placed the shares with Bank Leu and other companies under repurchase agreements, apparently as part of a plan to boost its share price and make its £1.7 billion cash-and-stock offer for Distillers look more attractive.

Spain Chooses Buyer For Sherry Company

MADRID — A Spanish government panel has ruled that the Williams & Humbert sherry company should be sold to a Venezuelan-led consortium, a Finance Ministry official said Tuesday. The panel rejected Swiss and Spanish bids.

Another block of 28 million shares, bought under similar circumstances by Schenley Industries, Guinness's U.S. distributor, remains outstanding. The Guinness announcement Tuesday did not refer to a £50 million deposit that it had placed with Bank Leu. The Swiss bank has asserted that the deposit represented Guinness's guarantee that it would not suffer any loss from holding the Guinness shares.

On Monday, Guinness said it had resolved a similar dispute with Henry Ansbacher & Co. Guinness said Ansbacher sold at the end of April the 2.15 million Guinness shares that it had bought during the Distillers bid. The buyback arrangements are being investigated by Britain's Department of Trade and Industry because British law generally prohibits companies from artificially pumping up their share price, or repurchasing their stock without shareholder approval.

Japanese Firms To Supply Fibers Plant for Soviet

MOSCOW — A group of Japanese companies has signed a \$600 million contract to build a polyester textile plant in the Soviet Union, Japanese Embassy officials said here Tuesday. The companies are Nishio Iwai Corp., Kobe Steel Ltd., Mitsui & Co. and Mitsui Engineering & Shipbuilding Co. The plant, to be built by 1992, will be at Blagoveshchensk, in the eastern Soviet Union.

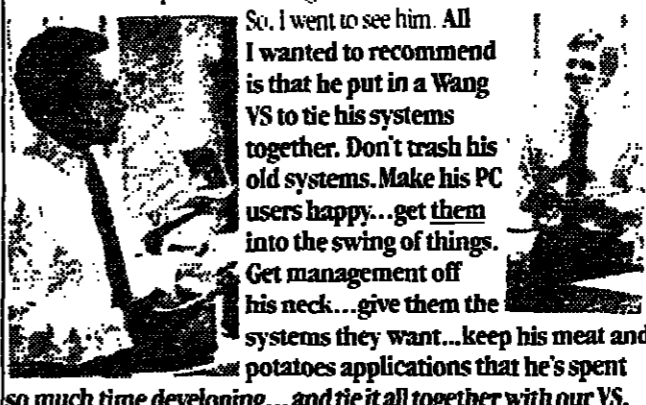
WANG: Ads in Hip Computereze Help It Connect With Corporate Customers

(Continued from first finance page) Rubicum, one of the U.S. advertising giants. The other was Mr. Easdon's partner, Bill Heater, a rumpiled 33-year-old copywriter. "The boys," as Hill Holliday's chairman, Jay Hill, sometimes calls them, had collected nearly about every ad award that existed, including the Grand Prix of the Cannes Film Festival of advertising for their documentary-style "Real Life, Real Answers" campaign for John Hancock Mutual Life Insurance Co.

Their inside tone gave them credibility. And there was something fascinating about the strange computer-speak dialect. For the 20,000 or so big-company computer buyers in the country, the high-tech jargon amid the grating jingles of television would jump out like a

They bought air time and print space. They drew up plans for a 60,000-piece direct-mail campaign that would follow the blitz. Mr. Easdon taped more than a dozen war stories from Mr. Olisa and others at Wang. Mr. Heater

Some of the scripts were "pretty yucky," Mr. Olisa said. "They were beginning to lose the point." It was one thing to have the Wang salesman in the ads call customers "guys," the Wang people said, but Mr. Heater's scripts were overusing the slang, and it made Wang look snide. Mr. Olisa insisted that his office approve all the scripts. By Feb. 12, a Thursday, everybody's nerves were shot, especially Mr. Easdon's in California. Shooting was scheduled to begin the next day.



So, I went to see him. All I wanted to recommend is that he put in a Wang VS to tie his systems together. Don't trash his old systems. Make his PC users happy... get them into the swing of things. Get management off his neck... give them the systems they want... keep his meat and potatoes applications that he's spent so much time developing... and tie it all together with our VS. Perfect solution. Perfect, and when he saw that... tears came to his eyes. Well... not really. It wasn't quite like that.

WANG MAKES IT WORK.

A Wang ad that ran in the magazine Business Week.

Pretax Profit At Allied-Lyons Rose 26% in '86

LONDON — Allied-Lyons PLC, the British food and drink giant, said Tuesday that pretax profit rose 26 percent to £240.9 million (\$573.39 million) in the 53 weeks ended March 7, from £269.5 million a year earlier. Net profit after tax rose 34 percent to £248.2 million, or 33.8 pence a share, from £185.2 million, or 26.4 pence a share. Sales rose 9 percent to £3.61 billion, from £3.3 billion.

Olivetti Shares Fall on Probe of de Benedetti

MILAN — Share prices of companies controlled by the Italian financier Carlo de Benedetti dropped Tuesday after newspapers said he was given notice that he was under investigation in connection with Banco Ambrosiano's collapse. Two Milan judges who are looking into the 1982 failure, Italy's biggest banking scandal, would not say whether Mr. de Benedetti was sent a judicial notice. Such notices state that a person is under investigation but not charged with a crime. Judicial sources, however, confirmed the news reports.

Mr. de Benedetti, who heads a financial empire including Europe's largest computer group, Olivetti SpA, early this month denied any personal wrongdoing in the Banco Ambrosiano affair. Olivetti shares dropped 2.7 percent to close at 12,400 lire (\$9.60) on the Milan exchange. CIR SpA, the main de Benedetti holding company, fell 3.5 percent, to 6,050 lire.

Mr. de Benedetti was a shareholder and deputy chairman of Banco Ambrosiano for 65 days. He resigned on Jan. 22, 1982, citing disagreements with the chairman of the bank, Roberto Calvi. Calvi was found hanged under a London bridge in June 1982, two months before the bank's collapse, which left \$1.3 billion in bad debts. According to the news reports, the Milan judges are investigating whether Mr. de Benedetti may have made illegal profit out of his entry and exit from the bank. The judges reportedly have issued arrest warrants for 25 board members and officials of Banco Ambrosiano. Judicial sources said that the notice concerned allegations that Mr. de Benedetti may have engaged in what they called extortionary behavior against Calvi.

BA Pretax Profit Fell 17% in 1986-87, but Beat Forecast

LONDON — British Airways PLC said Tuesday that pretax profit fell 17 percent to £162 million (\$328 million at current exchange rates) in the year ended March 31, from £195 million a year earlier, although the drop was less than expected because of a late surge in passenger traffic. British Airways executives emphasized that the result exceeded the £145 million forecast made in January, when the government published the prospectus ahead of the company's sale to the public in February for \$900 million.

Group sales in 1986-87 edged up marginally to £3.26 billion from £3.15 billion a year earlier. On average, the airline's planes flew 67 percent full, down slightly from 68 percent the previous year. Contributing to the better-than-expected performance, BA said, were fuel prices that remained lower than forecast and the company's own cost-cutting measures. Fuel costs fell by £200 million in 1986-87 to reach £371 million. Lord King, BA's chairman, said that all divisions were experiencing buoyant growth and that summer traffic forecasts were approaching record levels. He declined, however, to give a profit projection.

Net profit fell 16 percent to £152 million from £181 million a year earlier, with earnings per share of 20.5 pence from 26.8 pence. Operating profit dropped 11 percent to £183 million from £205 million a year earlier. Jennie Wootton, airline analyst with Kleinwort Grievson Securities in London, said that she expected BA's pretax profit to soar 54 percent this fiscal year to £250 million. "Everything is going well for the company and should remain that way, particularly if oil prices remain favorable," she said.

Following BA's purchase last year of 16 of Boeing Co.'s 747-400 planes, Lord King said the company had no immediate plans for a subsequent order of either McDonnell Douglas Corp.'s planned long-haul MD-11 aircraft or its main competitor, the proposed Airbus Industrie A-340 jet. He said the company did not have sufficient information on the new planes to choose.

Arab Investors To Sell 22% Stake In Smith Barney

NEW YORK — Smith Barney Inc.'s major shareholder group, which consists of several wealthy Arab investors, has put its 22 percent stake up for sale, the securities firm said Tuesday. Bob Connor, managing director of the holding company for Smith Barney, Harris Upham & Co., said he did not know the amount sought by the group or the circumstances surrounding the sale. According to some reports, the investors are pressed by the Gulf's faltering economy and are seeking at least \$160 million. The Arab group is the company's major shareholder, Mr. Connor said. Current and former employees own the rest of the company. Among the 33 Arab investors are Kuwait's al-Sagar financial group and Coast Investment & Development Co., and Sheikh Omar Aggag, chairman of Aggad Investment Co. of Saudi Arabia, Mr. Connor said.

German Bank Loan for China

BEIJING — Five West German banks, led by Westdeutsche Landesbank Girozentrale, have made a 200 million Deutsche mark (\$112.36 million) long-term loan to China International Trust & Investment Corp., the official Economic Daily said Tuesday. competition over trans-Atlantic routes and a precipitous decline in traffic last summer due to fears over terrorism and the Chernobyl nuclear disaster. Analysts had expected profits of \$50 million to \$155 million. British Airways shares fell 2 percent to close at 162 pence on the London Stock Exchange. Their original price was 65 pence.

German Bank Loan for China. BEIJING — Five West German banks, led by Westdeutsche Landesbank Girozentrale, have made a 200 million Deutsche mark (\$112.36 million) long-term loan to China International Trust & Investment Corp., the official Economic Daily said Tuesday.

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LEICOM FUND. A partir du 25 mai 1987, il sera payé un dividende de U.S. \$ 50.— par part contre remise du coupon N° 2 des certificats au porteur. Ce coupon est payable auprès de la banque privée Edmond de Rothschild S.A. succursale de Luxembourg, 20 boulevard Emmanuel Servais, Luxembourg. A partir du 25 mai 1987, la part sera cotée en bourse de Luxembourg, ex-coupon. Les personnes souhaitant réinvestir le produit de leurs dividendes dans le fonds pourront le faire en tout ou en partie sans frais.

Avant d'engager l'avenir de votre entreprise... Consultez BOUYGUES IMMOBILIER (1) 48 25 44 77

HIGH SPEED PARIS-TOKYO NON-STOP IN 12 HOURS. NOW AIR FRANCE OFFERS TWO "LE SOLEIL LEVANT" FLIGHTS TO TOKYO EVERY WEEK. THESE NON-STOP FLIGHTS SAVE YOU MORE THAN 2 HOURS OF TRAVEL TIME FROM PARIS TO TOKYO. AIR FRANCE WAS THE FIRST EUROPEAN AIRLINE TO FLY THE DIRECT TRANSIBERIAN ROUTE TO JAPAN. TO GET YOU THERE FASTER. LE SOLEIL LEVANT. NOW TWO NON-STOP FLIGHTS EACH WEEK. ANOTHER EXAMPLE OF THE HIGH LEVEL OF PERFORMANCE YOU FIND WHEN YOU FLY AIR FRANCE. AIR FRANCE WERE AIMING EVEN HIGHER.

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

| 12 Month High | Low | Stock | Div. | Yld. | PE | 52-Week High | Low | Close | Change |
|---------------|-----|-------|------|------|----|--------------|-----|-------|--------|
| 217 | 217 | ABB | | | | | | 10.00 | |
| 14 | 14 | ABB | | | | | | 1.00 | |
| 14 | 14 | ABB | | | | | | 1.00 | |
| 14 | 14 | ABB | | | | | | 1.00 | |
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| 12 Month High | Low | Stock | Div. | Yld. | PE | 52-Week High | Low | Close | Change |
|---------------|-----|-------|------|------|----|--------------|-----|-------|--------|
| 14 | 14 | ABB | | | | | | 1.00 | |
| 14 | 14 | ABB | | | | | | 1.00 | |
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| 14 | 14 | ABB | | | | | | 1.00 | |

| 12 Month High | Low | Stock | Div. | Yld. | PE | 52-Week High | Low | Close | Change |
|---------------|-----|-------|------|------|----|--------------|-----|-------|--------|
| 14 | 14 | ABB | | | | | | 1.00 | |
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| 12 Month High | Low | Stock | Div. | Yld. | PE | 52-Week High | Low | Close | Change |
|---------------|-----|-------|------|------|----|--------------|-----|-------|--------|
| 14 | 14 | ABB | | | | | | 1.00 | |
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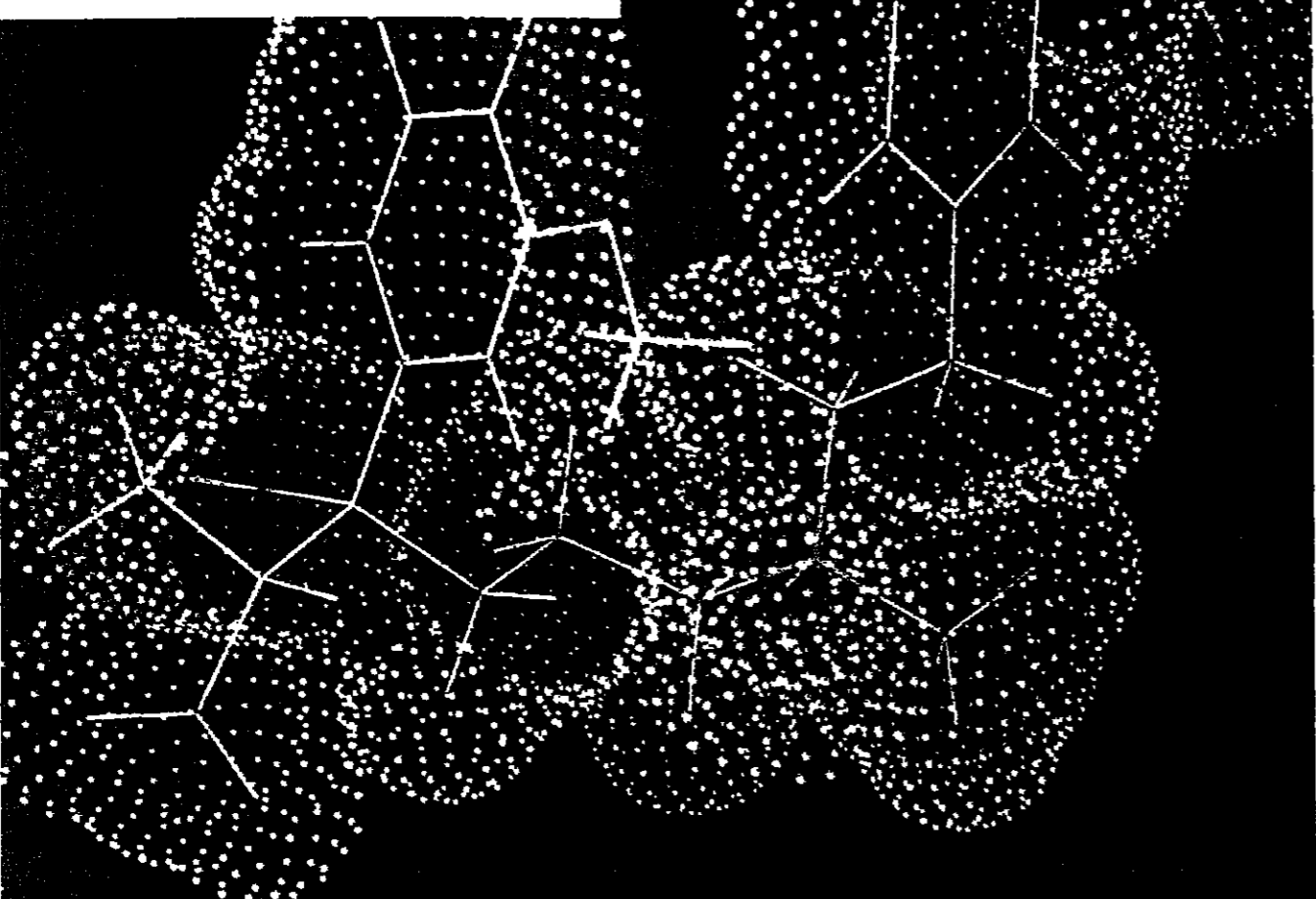
| 12 Month High | Low | Stock | Div. | Yld. | PE | 52-Week High | Low | Close | Change |
|---------------|-----|-------|------|------|----|--------------|-----|-------|--------|
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| 12 Month High | Low | Stock | Div. | Yld. | PE | 52-Week High | Low | Close | Change |
|---------------|-----|-------|------|------|----|--------------|-----|-------|--------|
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Floating-Rate Notes

| Issuer/Mat. | Coupon | Next | Bid | Ask | 12 Month High | Low | Close | Change |
|--------------|--------|-------|--------|--------|---------------|--------|--------|--------|
| U.S. Dollars | | | | | | | | |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |
| Alcoa | 7.50 | 10/15 | 102.50 | 103.00 | 102.50 | 103.00 | 102.75 | + |

How the latest technology is helping us in the search for new drugs.



Even today we can cure only a third of the world's diseases. Developing a new drug involves manufacturing and testing the effectiveness of over 10,000 different substances. It's an expensive operation because a successful drug must not only be effective, but safe to use, as well.

One particular problem always arises when developing any new drug: at the site of action, the active molecule is confronted by a complex structure into which it must fit like a key into a lock. As very little is known about the exact shape of these molecular "keyholes" and since predicting the dimensional structure of any new substance is extremely difficult, success is not often achieved.

on a screen. The computer attempts to fit the molecular structure from the natural data of the keyhole and the results.

This new development is still in the early stages of computer-aided drug research. The prime objective is to know the exact shape of the keyhole and to design new keys to fit it. This is a very difficult task, but the computer is helping to speed up the process.

New computer-aided drug research programs are being developed, which will help to speed up the process of drug discovery and development.

However, the increasing use of the computer is breaking new ground in drug research. A computer can plot the dimensional structure of a molecule in advance and even the most complex molecular structures can be displayed three-dimensionally.

BASF Computer Aided Research: producing better solutions faster.

BASF

Innovations in chemistry

The structural formula of the drug Verapamil used in treating heart and circulatory problems.

BASF

BASF Aktiengesellschaft, D-6700 Ludwigshafen

John 20/87

CURRENCY MARKETS

Dollar Closes Lower Against Major Currencies

NEW YORK — The dollar was lower across the board in New York on Tuesday.

The dollar closed at 1.7705 Deutsche marks, more than a penny down from 1.7815 on Monday; at 139.525 yen, down from 140.20; at 1.4525 Swiss francs, down from 1.4630; and at 5.9250 French francs, down nearly 3 centimes from 5.9540.

The dollar was also lower against the pound, which closed at \$1.6870, against \$1.6820 Monday.

The decline came as the Federal Reserve's Open Market Committee met. Several analysts have said the policy-making body's meeting might be followed by an increase in the U.S. discount rate, now at 5.5 percent.

But the chances of an increase appeared dampened by a 2.9 percent fall in U.S. housing starts in April, dealers said.

The drop in housing starts was the latest in a string of bleak economic figures that show the U.S. economy may be too fragile to support a tighter monetary policy, dealers said.

Many said that the dollar was trading with a half-point increase in the discount rate already discounted.

Earlier, the dollar finished mixed in dull trading in London.

In London, the dollar ended the day at 1.7775 DM, down from 1.7825 at both the opening and mid-session and from 1.7785 on Monday.

But it rose against the yen, trading as high as 140.20 at midday before closing at 140.05, up from 139.90 Tuesday. It was also higher against the French franc, closing at 5.9475, against 5.9375, but was lower against the Swiss franc, at 1.4585, down from 1.4595.

The British pound closed at \$1.6830, up from \$1.6790 at the opening, but down from \$1.6840 at Monday's close.

Most dealers agreed that the dollar's direction in the near future is more likely to be decided on trading whims rather than on fresh news from the United States.

"Without any clear direction, traders are just thrashing about, but there is a feeling that the smart money is looking for the bottom of the dollar," a trader with a U.S. bank said.

Some dealers, however, said they doubted the dollar would move significantly either way until next month's summit meeting in Venice of major industrialized nations.

They said that what little news there had been Tuesday had tended to depress the dollar.

One dealer with a U.S. bank in London said another noticeable factor had been market rumors that Manufacturers Hanover Corp. was having trouble raising money in the wholesale money markets.

A firm denied by the company seemed to have quashed the rumor and the dollar perked up slightly, he said.

Dealers in London generally felt that any increase in the U.S. discount rate would have little impact on foreign exchanges.

The pound was unchanged through the day at 73.8 on its trade-weighted index.

In earlier European trading, the dollar was fixed in Frankfurt at 1.7827 DM, up from 1.7752 Monday; and in Paris at 5.9750 French francs, up from 5.9375.

It closed in Zurich at 1.4583 Swiss francs, up from 1.4558.

London Dollar Rates

Table with columns: Currency, Time, Mon., and values for Deutsche mark, Swiss franc, Japanese yen, French franc, and British pound.

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Futures Ruling Seen in Japan

TOKYO — The Finance Ministry is to allow Japanese institutions to trade in foreign financial futures markets on their own accounts starting Friday, the news agency Jiji Press reported Tuesday.

However, a ministry spokesman said that no official decree had been issued. Institutions had expected the move before the end of the month.

Finance Ministry sources said only financial institutions would be permitted to trade in futures markets abroad; individuals would be barred. Until now, only foreign subsidiaries of Japanese institutions have had access to foreign futures markets.

Pöhl Says Exchange Rates Are Top Priority

FRANKFURT — Efforts to stabilize exchange rates to help the West German economy are currently more pressing for the Bundesbank than traditional monetary policy concerns such as money supply, Bundesbank president Karl Otto Pöhl said Tuesday.

"I am of the opinion that efforts to stabilize the dollar-mark rate have reached a high priority for the central bank, he told reporters.

He said a further reevaluation of the mark would endanger the West German economy.

Central bank money stock, which includes currency in circulation and banks' required reserves on domestic deposits, was growing at 7.8 percent in April, he said, well above the bank's 3 percent to 6 percent target for 1987.

But there was no immediate concern that this would lead to inflation, he said.

Mr. Pöhl said an important instrument for stabilizing currencies

was broader interest rate differentials.

He said this had been done since February, with U.S. bond yields and the federal funds rate rising, while West German bond yields had fallen and the Bundesbank had steered money market rates down with its open market policy.

"This widening will be an important contribution to stabilizing exchange rates, I hope," Mr. Pöhl said.

A widening of the gap between interest rates helps to slow the dollar's fall by making it more attractive to investors.

Mr. Pöhl said he expected the West German economy would show a decline in the first quarter because of the harsh winter. But this would be partly recovered in the second quarter, he said.

"For the rest of the year, it will be of major significance whether we succeed in preventing a further rise in the mark," he said.

Mr. Pöhl said the Bundesbank

had not switched priorities to exchange rates from money supply last autumn, when it was under pressure to ease monetary policy, because the exchange rate seemed to be stabilizing and the economy was performing strongly.

But by early this year there had been another strong rise in the mark, a realignment of the European Monetary System, which allows most EC currencies to float within specified margins, and a slowdown in the economy.

Tightening interest rates now to counter excessive monetary growth would merely suck in more foreign funds, inflating money supply even further, Mr. Pöhl said.

The central bank money supply measure still had validity, he said, and if it continued to grow excessively for a long time it could cause problems. He said the bank had to prevent the potential for inflation from building up.

Tuesday's OTC Prices. NASDAQ prices as of 3 p.m. New York time. Via The Associated Press.

Table A: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table B: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table C: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table D: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table E: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table F: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table G: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table H: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table I: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table J: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table K: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table L: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table M: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table N: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table O: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table P: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table Q: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table R: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table S: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table T: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table U: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table V: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table W: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table X: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

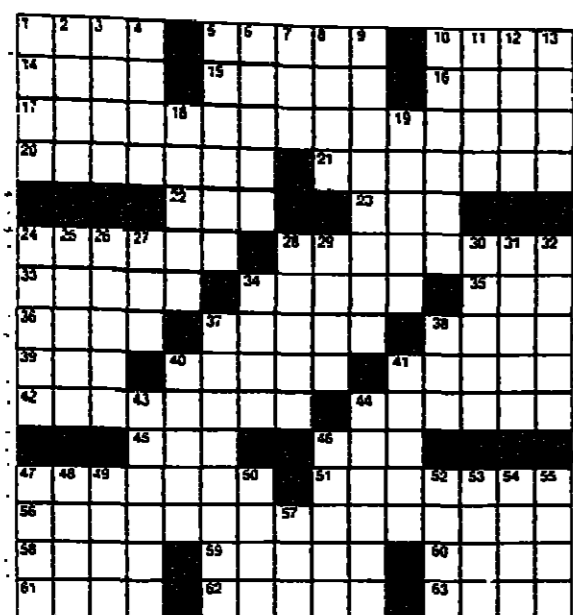
Tuesday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table Y: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table Z: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table AA: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.

Table AB: 12 Month High Low Stock Div. Yld. PE 52 Wk High Low 3 P.M. Quot. Chg.



ACROSS
1 Chinese gelaun
5 An Amerind
10 One of the Near Islands
14 Ali
15 Hanker
16 Memorable restaurateur
17 With 35 and 58 Across, a botanical observation
20 Ancient ascetics
21 Gangly
22 Tavern order
23 Francis of films
24 Parental command
28 Kind of cooker
33 Dodge
34 France's longest river
35 See 17 Across
36 S. American capital
37 Game birds
38 Sharp, metallic sound
39 Old card game
40 Singer Mercer
41 First name in film lore
42 Newspaper headline
44 Stir
45 Tropical black bird

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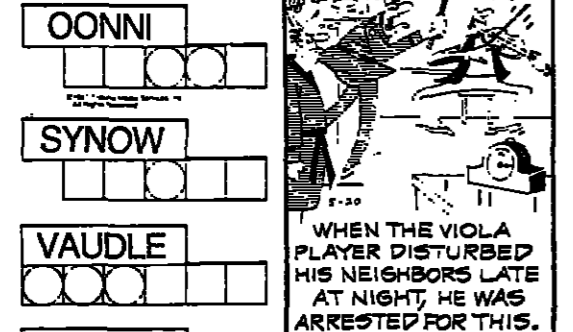
DENNIS THE MENACE



I'M NEVER GOING TO GET MARRIED... AND I'M GOING TO TELL MY CHILDREN NOT TO, EITHER!

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



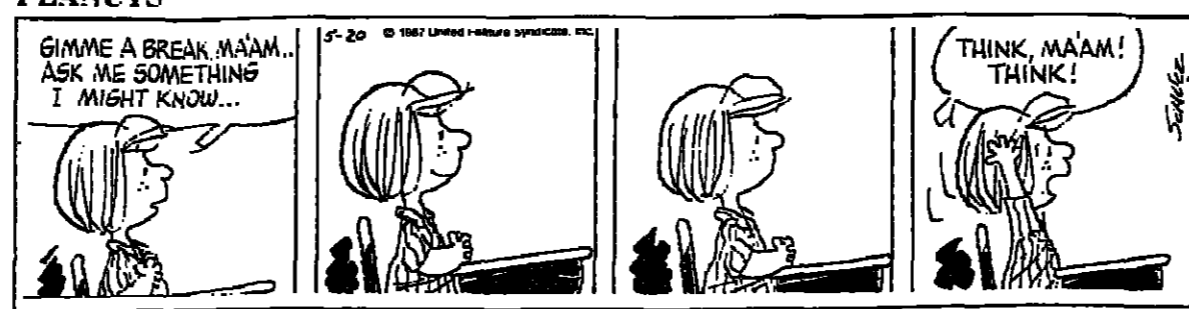
Answer: A "OONNI-SYNOW-VAUDLE-TENNIV"

WEATHER

Table with columns for regions (Europe, Asia, North America, Middle East, Oceania) and weather forecasts for various cities including London, Paris, New York, and Sydney.

WEDNESDAY'S FORECAST - CHANNEL: Rough, FROSTY; SOUTHERN: Partly cloudy, TEMPS: 2-12; NEW YORK: Partly cloudy, TEMPS: 10-18; PARIS: Partly cloudy, TEMPS: 10-18; SYDNEY: Partly cloudy, TEMPS: 10-18.

PEANUTS



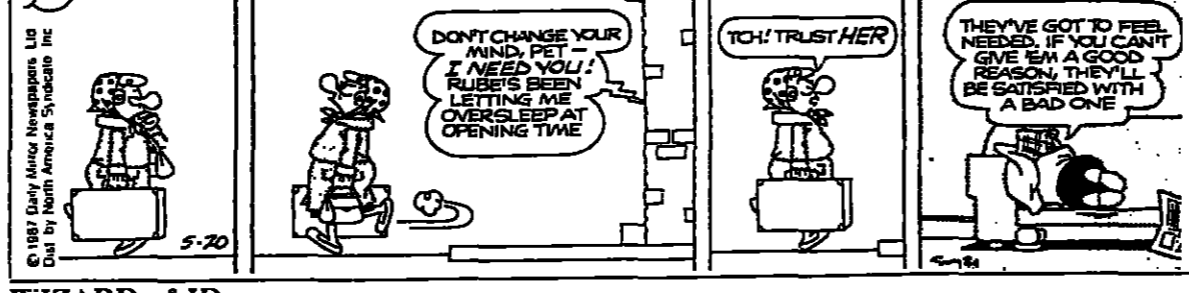
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BEETLE BAILEY



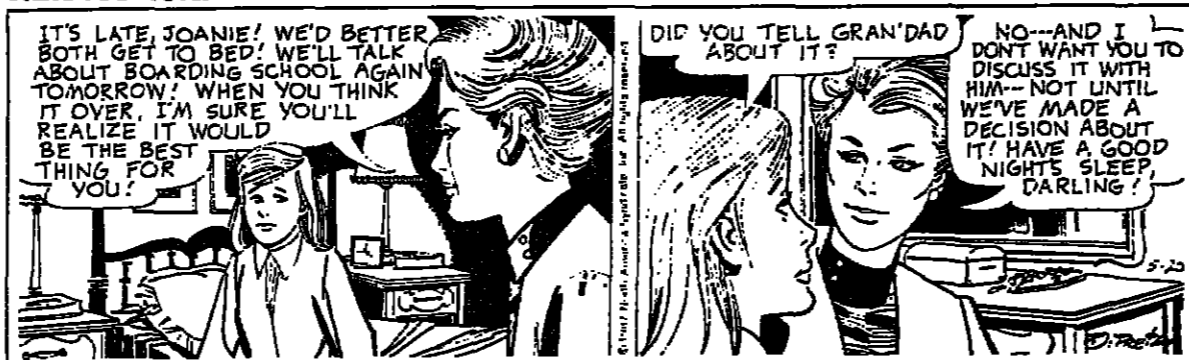
ANDY CAPP



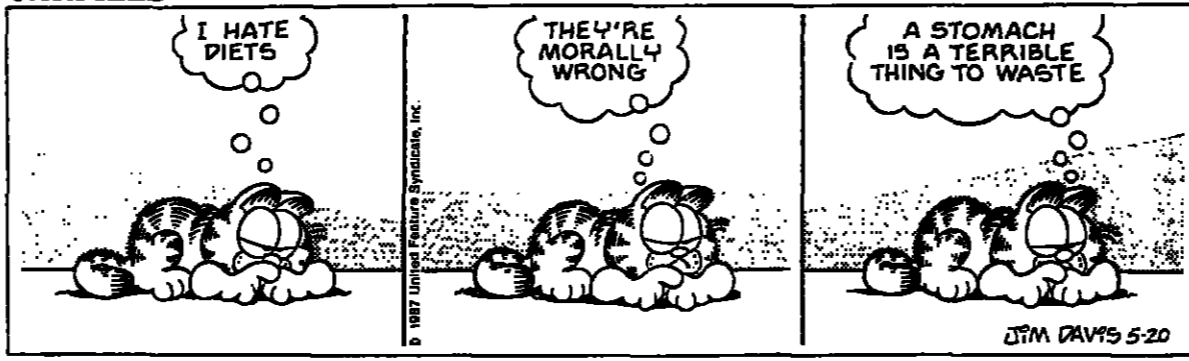
WIZARD OF ID



REX MORGAN



GARFIELD



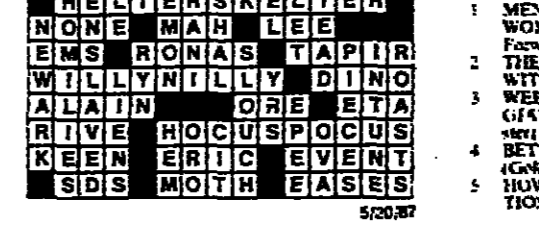
BOOKS

A YELLOW RAFT IN BLUE WATER
By Michael Dorris. 343 pages. \$16.95.
Henry Holt, 521 Fifth Avenue, New York, N. Y. 10175.

SET against the backdrop of an Indian reservation in Montana and nearby regions in the Pacific Northwest, "A Yellow Raft in Blue Water" tells the story of three extraordinary women: Rayona, a self-reliant schoolgirl set adrift from her family at the age of 12; her strong-willed mother, Christina; and Ida, the proud matriarch of their clan. Each of these women speaks to us directly without the scrim of an omniscient narrator, and together, their voices form a chorus echoing through four decades of family history.

In any case, the book is not only a structural feat with "The Best Queen" but also addresses many of the same themes—including the growing sense of rootlessness overtaking the provincial United States, the lasting consequences of ancient family betrayals and the complicated equation of affection and resentment worked out between parents and their children. Although the writing in "A Yellow Raft" is not as consistently—and as organically—lyrical as that found in Erdrich's books, it does share a capacity to startle the reader with strong, almost dreamlike images: a funny angle; a tired woman in a reclining chair, lying "almost flat, suspended in the room like the lady in a magic act"; a hot, breezeless day in which "the leaves on the short trees looked heavy as tin."

Happily, these descriptions of the physical solution to the previous puzzle:



BRIDGE

By Alan Truscott
In this decade, bridge has boomed in China, but its players have never taken part in a major invitational event. That barrier was broken when Gu Ling and Zhang Yalan of Canton played this month in the prestigious Invitational Charity Pairs at the Cavendish Club in Manhattan.

Table of bridge results for various events, including North and South players, scores, and winners.

When South cashed the spare king and led to the ace, West was forced to throw a heart to preserve the diamond guard. Then the play of the diamond king ruined East, who had to unguard one of the major suits and allow the slam to succeed.

BEST SELLERS

- List of best-selling books including "The Haunted Mesa" by Louis L'Amour, "The Ladies of Missalona" by Colleen McCullough, "The Thin Red Line" by Loren Eiseley, etc.

World Stock Markets

Table showing closing prices in local currencies for various world stock markets including Amsterdam, London, Frankfurt, Zurich, and Tokyo.

Small Platinum Coins

Win Over Investors
By H.J. Maidenberg
NEW YORK — Platinum may be much rarer than gold and may have far more important industrial uses than silver, but the dull gray metal is only now starting to attract sizable numbers of investors in the United States.

When South cashed the spare king and led to the ace, West was forced to throw a heart to preserve the diamond guard. Then the play of the diamond king ruined East, who had to unguard one of the major suits and allow the slam to succeed.

Markets closed
Canadian stock markets were closed Monday for a holiday.

OBSERVER

Unreachable: The Movie

By Russell Baker
NEW YORK — Dr. Harold J. Liverworth, the modernist specialist, can no longer be reached by telephone. "Being unreachable by telephone is one of the most modern things you can do right now," he explains in his new book, "No Moss on Me," soon to be a major motion picture.

to do: Dr. Liverworth's book will become a major motion picture before Dr. Liverworth completes the book.
It sounded as if the great modernist had discovered a thrilling new concept of modern entertainment: the major motion picture based on the best-selling book that never gets written.

Murray Schisgal's Thickening Plots

By David Kaufman
NEW YORK — "I have no intention of ever writing a play again," Murray Schisgal wrote in the introduction to his 1983 anthology, "Luv and Other Plays." But Thursday, "Road Show," his newest play, opens at the Circle Repertory Company, and this fall his three new one-act plays will be premiered here.



Schisgal: "I'm still addicted to writing plays."

before, I don't think we have to have periods at the end of a sentence, or we don't have to have periods until we are at the end of our lives.
In terms of how his writing may be changing, Schisgal acknowledges that his plays are getting more and more autobiographical.

painter goes into another period, you know. It's like the economy of expression in a later artist. Yet within that economy, I'm finding a tremendous emotional range.
"Dustin Hoffman has been a 'soulmate' and colleague of Schisgal's ever since they first worked together in regional theater in Stockbridge, Massachusetts, in 1965.

PEOPLE

Oliver, Nearing 80, Will Drop Film Acting

Laurence Olivier has decided to retire from movie acting. The actor, who will be 80 on Friday, has limited his film work for years and last appeared on the screen in the 1985 movie "Wild Geese II," preferring to work on television in shows like "The Ebony Tower" and "Lost Empires."
Olivier will continue to do prose and verse readings for radio and TV and filmed performances for television. On Friday, Olivier will be heard on BBC radio in Peter Barnes's radio play, "No End To Dreaming."

Abderrahmane, president of the American-Arab Anti-Discrimination Committee (ADC), is protesting against "Tabar," a \$40 million comedy film, because of scenes he said mock Arabs and Muslims.
August Wilson's "Fences," a black family drama, was chosen by the New York Drama Critics Circle as best new play of the 1986-87 theater season.

INTERNATIONAL CLASSIFIED

Real estate classified section with multiple columns for 'REAL ESTATE FOR SALE' and 'REAL ESTATE TO RENT/SHARE' in various international locations like Paris, Geneva, and London.

International Business Message Center

Business classified section with multiple columns for 'BUSINESS OPPORTUNITIES', 'BUSINESS SERVICES', 'FINANCIAL INVESTMENTS', and 'OFFICE SERVICES'.

Foch Building International advertisement located in Paris, highlighting its status as a prestigious office location.

Geneva Kaistens Business Services advertisement, offering various business and office services in Geneva.